JOHN H. RALLS, JR
ASSOCIATE DIRECTOR FOR SMALL BUSINESS

The Next SETAC

Technical & Business Exhibition & Symposium (TABES) and the Tennessee Valley 2000 Regional Economic Summit

Wednesday, May 31, 200

U.S. Army SMDC
Space and Missile Defense Command

AGENDA

- Small Business Status on Current SETACs
- Timelines and Acquisition Schedule
- Unchanged from Previous SETAC Acquisition
- Changes from Previous SETAC Acquisition
- Small Business Issues
- SETAC Surveys
- Teaming and Subcontracting
- Credit Cards

U.S. Army SMDC
Space and Missile Defense Command

WHAT IS SETAC?

SETAC - Systems Engineering and Technical Assistance Contract

4 Primes:

- **CSC, MEVATEC, NRC, TBE**

OUR SETACs Support:

- **SMDC in Huntsville and Washington DC**
- **PEO-AMD in Huntsville and Washington DC**
- **HELSTF**
- **ARSPACE**
- **Related OGAs in Air, Space, and Missile Defense Arenas**

U.S. Army SMDC
Space and Missile Defense Command

WHAT IS SETAC?

SETAC's Six Functional Areas:

- Requirements Definition, Integration, and Planning
- Technology Development, Assessment, and Validation
- Threat Estimation/Projections
- Weapons Lethality and Effects Estimation
- Engagement Simulation and Interfacing
- Program/Project Analysis, Evaluation, and

U.S. Army SMDC
Space and Missile Defense Command

STATUS OF SETAC - INCEPTION THROUGH 31 MARCH 2000

Breakout of the Total Dollars:

Small Business	30%
Small Disadvantaged Business	5%
Woman Owned/Small Business	3%
HUBZone	1%
Large Business	61%

Total SETAC Dollars: $440M

U.S. Army SMDC
Space and Missile Defense Command

STATUS OF SETAC - INCEPTION THROUGH 31 MARCH 2000

Breakout of the Total *Subcontracted* Dollars:

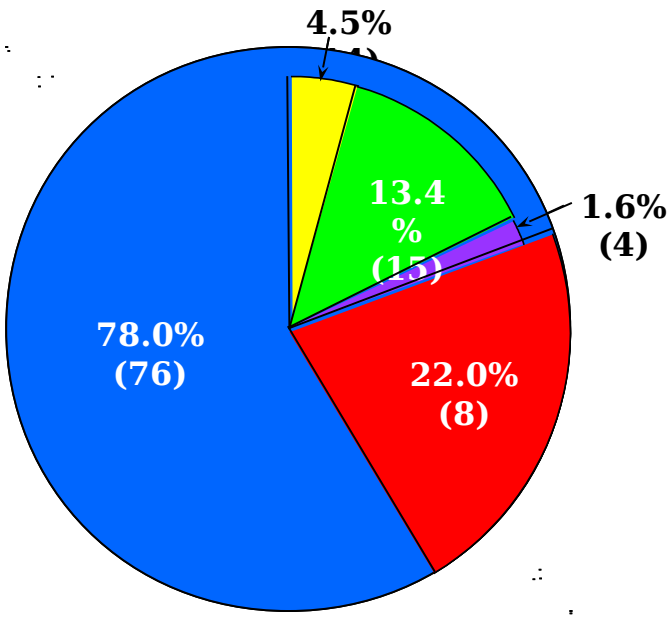
Small Business	54%
Small Disadvantaged Business	14%
Woman Owned/Small Business	9%
HUBZone	2%
Large Business	21%

Total SETAC Subcontracted Dollars: $160M

U.S. Army SMDC
Space and Missile Defense Command

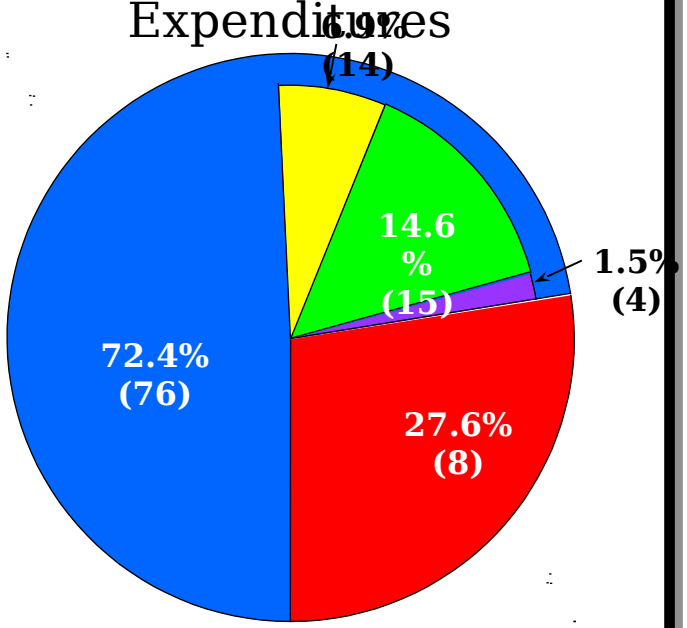
MEVATEC's STATUS - INCEPTION THROUGH 31 MARCH 2000

SETAC Subcontract Awards



TOTAL $ 61,895,827

SETAC Subcontract Expenditures



TOTAL $ 34,668,925

Small Business (76)
Woman-Owned Small Business (14)
Small Disadvantaged Business (15)
HUBzone (4)
Large Business (8)

(#) Represents number of subcontractors in gr

ACQUISITION/TIMELINES SCHEDULE

- **Summer 00 Meetings with Various Industry Representatives (Segregated by Company Size)**
- **Fall 00 General Industry Brief (Pre-DRFP)**
- **April 01 DRFP Issued**
- **Jun/Jul 01 Pre-solicitation Industry Briefing**
- **Aug 01 RFP Released**

U.S. Army SMDC
Space and Missile Defense Command

ACQUISITION/TIMELINES SCHEDULE CONTINUED

- **Aug/Sep 01 OCI and Past Performance Data Due**
- **Sep/Oct 01 Proposals Due**
- **Dec 01 Contracts Awarded**
- **By Apr 02 Award T/Os and Transition Contractors, as necessary**
- **24 Apr 02 Performance Begins**

UNCHANGED FROM CURRENT SETAC ACQUISITION

- **Best Value Evaluations**
- **Multiple Awards (at least one SB award)**
- **Performance-Based Scope of Work Supported by User Mission and Function Statements**
- **Indefinite Delivery/Indefinite Quantity (ID/IQ) Contracts**
- **Both Formal and Informal Competitive Task Order awards**
- **Fixed-Price Labor Categories**
- **Umbrella OCI Clause for primes with "technology area" flowdown to subcontractors**
- **Same SIC Code: 8731 (1000 employees)**
- **Participation of Primes in the DA Mentor-Protégé Program**

U.S. Army SMDC
Space and Missile Defense Command

CHANGES FROM CURRENT SETAC ACQUISITION

- Price Competition VS. Cost Competition
- Simplified Past Performance Requirement for Proposal
- Specified OCI determination format/process
- Fewer Formally-Competed Task Order Requirements Following Contract Award
- Government will utilize past performance under current SETACs for informally-competed task orders
- Tie Breaker in the event that proposals receive equal evaluation scores

U.S. Army SMDC
Space and Missile Defense Command

CHANGES UNDER CONSIDERATION FROM CURRENT SETAC ACQUISITION

- Both On-Site and Off-Site Rates
- Additional fixed-price labor categories
- Credit Card Payments VS. DFAS payments
- Pre-Solicitation On-line Acquisition Library
- Oral Presentation of Proposal Delivered on CD VS. “Live”
- Longer term contract with pre-established price re-determination factors (such as Award Term Contracting)
- Incentives to Primes to Utilize SB/SDB/WO/8(a)/HUBzone Subcontractors
- Evaluation Factors/Subfactors which reflect latest philosophy (pass-though caps, subcontracting incentives, effectiveness of contractor management systems, and innovation initiatives)

U.S. Army SMDC
Space and Missile Defense Command

SMALL BUSINESS CONCERNS

- Set-asides for Small Business and/or 8(a) Teams - all options are being considered
- Bundling - we have looked at the issues and do not believe that we have a problem
- No Government restriction on number and/or type of teaming arrangements
- Past Performance for Joint Ventures
    - Technical rating based on members' individual rating
    - Management rating given a neutral
- Real vs. Proposed Subcontract Work

U.S. Army SMDC
Space and Missile Defense Command

SETAC SURVEY AND SURVEY RESULTS

- **Provided to HASBAT membership and all current SETAC primes/subs**
- **Comments/recommendations will be on a non-attribution basis**
- **Utilized to assist Government in upcoming acquisition decisions**
- **Significant issues brought out in the completed surveys will be addressed in upcoming meetings with industry**
- **Similar one will be distributed to the SMDC/PEO-AMD user activities/technical personnel**

WE WELCOME AND NEED YOUR INPUT!!!!!

AFFILIATION & LIMITATION ON SUBCONTRACTING RULES

- **Small Business Set Asides**
- **Teaming Agreements & Joint Ventures**
- **Old Rules**

Add all its individual members to determine size according to the applicable standard industrial classification (SIC) code assigned for that procurement

Small Business Prime Contractor must perform 50% of the work with its own personnel

- **New Rules**

Small Business Prime Contractor with small and/or large business subcontractors may compete for a SBSA when 50% of the work will be performed by the "Team," (collective effort of all the small business members of the team)

U.S. Army SMDC
Space and Missile Defense Command

8(a) COMPETITION TEAMING AGREEMENTS & JOINT VENTURES

- **Old Rule:**

  8(a) Prime Contractor must perform 50% of the work with its own personnel.

- **New Rule:**

  At least one 8(a) participant and one or more other business concerns may compete for an 8(a) competitive effort so long as each concern is small according to the applicable SIC Code and the lead 8(a) concern performs a "significant amount" of the work with its own employees.

- **SBA Review/Approval**

  Teaming agreements and Joint Ventures must be approved by SBA prior to award.

U.S. Army SMDC
Space and Missile Defense Command

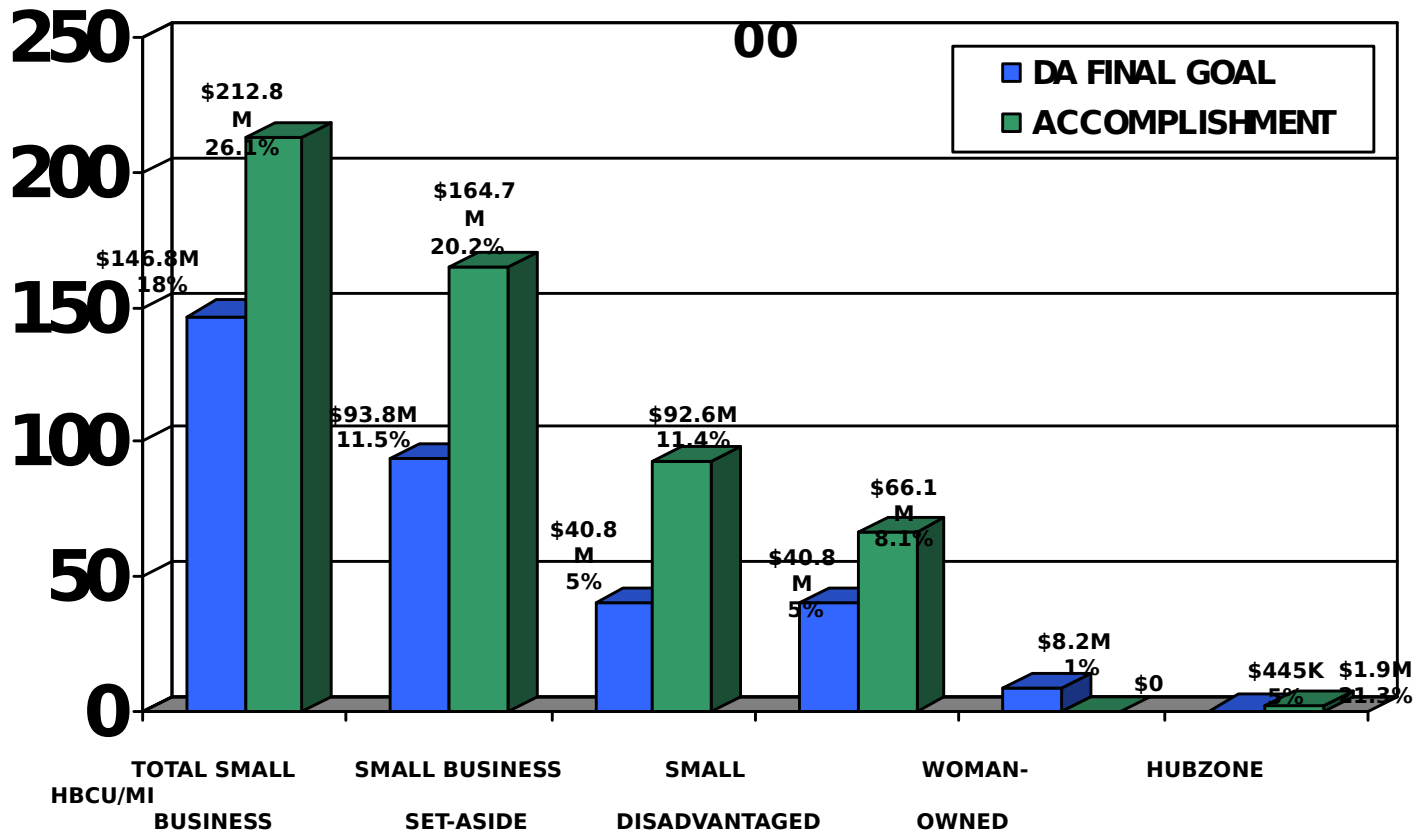
BENEFITS OF CREDIT CARDS

- Faster Payments
- Credit Card Processing Fees are Allowable and Negotiable
- Lower Unallowable Interest Costs
- Streamline Administrative Procedures and Lower Indirect Costs
- More Favorable Cash Flow Ratio
- Increase Profit Margin and Business Opportunity

U.S. Army SMDC
Space and Missile Defense Command

FY 00 SMALL BUSINESS GOALS AND ACCOMPLISHMENTS (U)

1 OCT 99 THRU 30 APR 00



TOTAL EST. U.S. DOLLARS - $815.3M

TOTAL EST. UNIV. DOLLARS - $8.9M

U.S. Army SMDC
Space and Missile Defense Command

SUMMARY

- **SMDC is pursuing ways to support the small business community while ensuring mission accomplishment at the best value for the Systems Engineering and Technical Assistance Contracts (SETACs)**

- **Questions and Answers**